



**WAYNE COUNTY AIRPORT AUTHORITY**

OMB Circular A-133 Report

Year ended September 30, 2004

(With Independent Auditors' Report Thereon)

# **WAYNE COUNTY AIRPORT AUTHORITY**

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**Report on Compliance With Requirements Applicable to  
Each Major Program and on Internal Control Over  
Compliance in Accordance with OMB Circular A-133**

The Board of Directors  
Wayne County Airport Authority:

**Compliance**

We have audited the compliance of the Wayne County Airport Authority (Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2004. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2004.

**Internal Control Over Compliance**

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.



Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

#### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of each major fund of the Authority as of and for the year ended September 30, 2004, and have issued our report thereon dated February 25, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and the accompanying Supplemental Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis as required by OMB Circular A-133 and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

March 24, 2005, except as to paragraph 6  
which is as of February 25, 2005

**WAYNE COUNTY AIRPORT AUTHORITY**

Schedule of Expenditures of Federal Awards

Year ended September 30, 2004

<u>Federal grantor/ pass-through grantor/ program title</u>	<u>Federal CFDA number</u>	<u>Accrued revenue at October 1, 2003</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Accrued revenue at September 30, 2004</u>
U.S. Department of Transportation: Direct Program – Airport Improvement	20.106	\$ 22,044,564	41,091,251	30,207,944	11,161,257
Total U.S. Department of Transportation		<u>22,044,564</u>	<u>41,091,251</u>	<u>30,207,944</u>	<u>11,161,257</u>
U.S. Department of Homeland Security: Direct Program – National Explosives Detection Canine Program	97.072	240,500	561,000	320,500	—
Direct Program – Public Assistance Grants	97.036	<u>—</u>	<u>105,429</u>	<u>105,429</u>	<u>—</u>
Total U.S. Department of Homeland Security		<u>240,500</u>	<u>666,429</u>	<u>425,929</u>	<u>—</u>
Total Federal Awards		\$ <u><u>22,285,064</u></u>	<u><u>41,757,680</u></u>	<u><u>30,633,873</u></u>	<u><u>11,161,257</u></u>

See accompanying independent auditors' report and notes to schedule of expenditures of federal awards and supplemental schedule.

**WAYNE COUNTY AIRPORT AUTHORITY**  
Supplemental Schedule of Expenditures of Federal Awards  
Year ended September 30, 2004

<b>Direct program activity/year</b>	<b>Accrued revenue at October 1, 2003</b>	<b>Receipts</b>	<b>Expenditures/ disbursements</b>	<b>Accrued revenue at September 30, 2004</b>
Metro Airport:				
32-6-026-5200	\$ —	201,563	201,563	—
5401	223,265	223,265	152,659	152,659
5501	585,196	611,820	26,624	—
5601	4,597	4,597	9,555	9,555
5902	257,030	288,079	130,486	99,437
6002	—	—	128,419	128,419
6102	—	—	74,795	74,795
6303	—	127,594	157,572	29,978
6403	3,674,476	4,010,646	1,112,167	775,997
6604	—	—	8,190,465	8,190,465
6804	—	—	351,101	351,101
6904	—	—	32,004	32,004
Letter of Intent AGL-90-01:				
6203	17,300,000	17,300,000	—	—
6504	—	18,195,433	18,195,433	—
National Explosives Detection Canine Program	240,500	561,000	320,500	—
FEMA-3189-EM-163-22055	—	105,429	105,429	—
Total Metro Airport	<u>22,285,064</u>	<u>41,629,426</u>	<u>29,188,772</u>	<u>9,844,410</u>
Willow Run:				
3-26-0024-2001	—	47,722	134,492	86,770
2102	—	80,532	965,392	884,860
2203	—	—	345,217	345,217
Total Willow Run	<u>—</u>	<u>128,254</u>	<u>1,445,101</u>	<u>1,316,847</u>
Grand Total	<u>\$ 22,285,064</u>	<u>41,757,680</u>	<u>30,633,873</u>	<u>11,161,257</u>

See accompanying independent auditors' report and notes to schedule of expenditures of federal awards and supplemental schedule.

**WAYNE COUNTY AIRPORT AUTHORITY**

Notes to the Schedule of Expenditures of Federal Awards  
and Supplemental Schedule

Year ended September 30, 2004

**(1) Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Wayne County Airport Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.



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**Report on Internal Control Over Financial Reporting  
and Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With Government Auditing Standards**

The Board of Directors  
Wayne County Airport Authority:

We have audited the basic financial statements of the Wayne County Airport Authority (Authority) as of and for the year ended September 30, 2004, and have issued our report thereon dated February 25, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.





This report is intended solely for the information and use of the audit committee, management, and state and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

March 25, 2005

## **WAYNE COUNTY AIRPORT AUTHORITY**

### **Schedule of Findings and Questioned Costs**

**Year ended September 30, 2004**

#### **Section I – Summary of Auditors’ Results**

- (a) The type of report issued on the basic financial statements: **Unqualified opinion**
- (b) Reportable conditions in internal control over financial reporting were disclosed by the audit of the basic financial statements: **None reported** Material weaknesses: **None reported**
- (c) Noncompliance which is material to the basic financial statements: **No**
- (d) Reportable conditions in internal control over major programs: **No** Material weaknesses: **No**
- (e) The type of report issued on compliance for major programs: **Unqualified Opinion**
- (f) Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: **No**
- (g) Major programs: **Airport Improvement Program (CFDA #20.106)**
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$919,016**
- (i) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133?: **No**

#### **Section II – Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards:       None**

#### **Section III – Findings and Questioned Costs Relating to Federal Awards:**

**None**